

THE ILLINOIS MANUFACTURER

THIRD QUARTER 2024



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MISSION STATEMENT

The Illinois Manufacturers' Association is the only statewide association dedicated to boldly moving Illinois' makers forward. The IMA is the oldest and largest state manufacturing trade association in the United States, representing nearly 4,000 companies and facilities.

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PRESIDENT & CEO

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Share Your Company
News with the IMA . . .

News information, press releases and articles may be sent to Sydney Jarrard, Editor and Manager of Publications, Illinois Manufacturers' Association (IMA), 220 East Adams Street, Springfield, IL 62701, or sjarrard@ima-net.org



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A CELEBRATION OF MANUFACTURING

MARK DENZLER, PRESIDENT & CEO



As I often say, manufacturing put food on our family's table growing up in central Illinois, so I've always had an appreciation for the men and women who make things in Illinois and across our great nation. Over the course of my career, I've been a front-row witness to amazing and innovative companies that solve today's challenges and envision our future. I'm in awe when I see what Illinois manufacturers do every single day for our country and communities.

But I've recognized that far too many people do not have an appreciation of American manufacturers or understand what happens within the four walls of a factory. Even elected leaders often lack knowledge of their local manufacturing base, workforce needs, or even challenges facing these employers. Manufacturers are often too humble and far too reluctant to open their doors or shout from rooftops about their successes.

In the past five years, the Illinois Manufacturers' Association has made a concerted effort to be this voice or amplify your message, by showcasing our state's amazing manufacturing sector that employs 650,000 workers and contributes the single largest share of our state's economy. I want everybody to see and value the manufacturing sector like I do.

We changed the vernacular using terms like "maker and creator" or "dreamer and doer" to describe workers in today's modern manufacturing sector while also noting that manufacturing is no longer "dark, dirty, and dangerous." Today's manufacturers are "smart, sexy, and sustainable!"

The IMA launched "Makers Madness: The Coolest Thing Made in Illinois" to showcase great products made in every corner of Illinois. This annual contest, now in its 5th year, attracts hundreds of products drawing 300,000 votes annually with the Governor announcing the winner.

Along with our partners at the Illinois Manufacturing Excellence Center, the IMA started a new "Makers on the Move" bus tour highlighting 25-30 locations on a statewide bus trip covering nearly ten days and 2,500 miles annually. This fun tour generates great media coverage with elected leaders clamoring to ride the bus and attend a tour stop.

Our "Made in Illinois" posters have been a huge hit for the last four years. They annually showcase about 50 unique products produced in Illinois on posters sent to every IMA company and all members of the Illinois congressional delegation and General Assembly. The number of people requesting a copy (or duplicate copy) to hang in their office or factory is heartening - I love seeing them when I walk into a manufacturer or lawmaker's office.

Sarah and the IMA Education Foundation hosted the Third Annual Makers Workforce Summit in conjunction with IMEC drawing together hundreds of business leaders, educators and administrators, and local officials—all designed to showcase careers that are available in manufacturing today.

And I'm absolutely thrilled with our recent inaugural Illinois Manufacturing Hall of Fame and Manufacturing Excellence Award luncheon that drew hundreds of attendees to celebrate manufacturing.

Designed to memorialize and honor the rich Illinois manufacturing legacy, the IMA's brand-new Illinois Manufacturing Hall of Fame recognized an initial class of 17 inductees – people, products, and companies that have left an indelible mark on our state's manufacturers. From President Abraham Lincoln who signed the Pacific Railway Act and is the only President with a patent to iconic products like the cell phone, dishwasher, and Cracker Jack to historic companies like Caterpillar, John Deere, and Abbott, this 2024 Hall of Fame Class represents the absolute best of the best. I'd like to thank the committee that poured over literally hundreds of deserving candidates. We look forward to adding to the Hall of Fame annually and the creation of a permanent home where people can visit and see the manufacturing legacy (hint hint... look for further news down the road).

And we partnered with IMEC to create new Manufacturing Excellence Awards in eight unique categories (community impact, economic development, educator, innovation, operational excellence, safety champion, sustainable champion, and workforce excellence). Nearly 150 companies and individuals were nominated and Board members from IMEC and the IMA had the tough task of selecting three finalists in each category before winners were announced at the June luncheon.

The IMA team plans to continue showcasing and celebrating our amazing manufacturing sector so that everybody has the same appreciation that we do. ♦

A stylized handwritten signature in black ink, appearing to read "Mark Denzler".

HALL OF FAME INDUCTEES

PEOPLE

Linda McGill Boasmond
Blouke Carus
Martin Cooper

Abraham Lincoln
A.E. Staley
Arthur Velasquez

PRODUCTS

Cell Phone
Dishwasher
Steel Plow

Cracker Jack
Lincoln Logs

COMPANIES & ORGANIZATIONS

Abbott
IMA Founding Members
University of Illinois System

Caterpillar Inc.
Knapheide Manufacturing Company
Wm. Wrigley Jr. Company

MANUFACTURING EXCELLENCE AWARD NOMINEES

CHAMPION OF OPERATIONAL EXCELLENCE

- Dukane Precast
- GAM Enterprises
- Morton Industries

COMMUNITY IMPACT AWARD

- Berner Food & Beverage LLC
- General Mills
- Hoffer Plastics Corporation

INNOVATOR OF THE YEAR

- Enercon
- Midtronics
- Titan International

ECONOMIC DEVELOPMENT PARTNER OF THE YEAR

- Bloomington-Normal EDC
- EDC of Decatur & Macon Co. and Champaign Co.
- Growth Dimensions Economic Development

WORKFORCE EXCELLENCE AWARD

- Bison®
- Morton Industries
- North American Lighting

EDUCATOR OF THE YEAR

- Courtney Carson - Richland CC
- Lucas Greenlee - Rock Valley CC
- Bill Isham - CEANCI
- Dr. Hansen Stewart - Rock Valley CC - Advanced Technology Center

SUSTAINABLE CHAMPION OF THE YEAR

- Continental Tire
- ECOS
- Natural Fiber Welding

SAFETY CHAMPION

- Ferrara
- Phoenix Packaging
- Titan International

FEDERAL AND ILLINOIS BUSINESS INCENTIVES

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Governments offer incentives to attract businesses to either move into or expand within their jurisdictions, as well as to encourage targeted spending. However, it takes effort to be aware of the various opportunities available, and they change continually. Many of them are claimed during the planning stages of projects and precluded after the fact.

Incentive-eligible spending includes facilities, capital goods, payroll, and out-of-pocket costs. Extra assistance is available for businesses operating in rural or urban disadvantaged areas. Furthermore, certain activities have preference, such as alternative energy, research, agriculture, and exporting. Often, grants and loans entail an application process and audited compliance. On the other hand, income tax incentives are claimed on tax returns.

Obtaining incentives is not a common occurrence for most businesses, so outside consultation is worthwhile. During the pandemic, middle-market businesses utilized the Paycheck Protection Program (PPP) and Employee Retention Credits (ERC) to maintain their payrolls. Having experience with government subsidies, businesses can explore other types of available assistance. This article provides an overview of post-pandemic incentives and loans offered.

Seek Help

Like many states, Illinois offers Economic Development, Growth, and Enterprise (EDGE) credits to companies that establish or expand their operations in the state. In Illinois, companies may receive ten years of non-refundable income tax credits equal to 50% of the income tax withholdings for new jobs created. This percentage increases to 75% in underserved areas. Additionally, corporate tax credits can be claimed. Larger incentives apply to alternative energy supply under Reimagining Energy and Vehicles (REV), and chip manufacturing under the Manufacturing Illinois Chips for Real Opportunity (MICRO) initiative. The Invest in Illinois Fund is specifically earmarked for major job creators, and so may not be accessible to middle-market businesses.

Regarding targeted geography, Illinois

designates specific economically depressed areas as Enterprise Zones and offers various incentives to businesses situated in them. Benefits include sales tax exemptions on building materials and utilities. Other local incentives are also available. The list of qualifying localities has recently expanded, so it's worth checking for updates. Like most states, Illinois provides broad sales tax exemptions for manufacturing use.

The Illinois High Impact Businesses (HIB) program, Invest Illinois Venture Fund (IIVF), and Innovation Venture Fund (INVENT) specifically support earlier-stage companies. More information about Illinois EDGE and other programs can be found on the Department of Commerce and Economic Opportunity website, which is dceo.illinois.gov/expandrelocate/incentives.

Alternatively, businesses may choose to partner with the federal government through various grant programs. Within the U.S. Small Business Administration (SBA), Small Business Innovation Research and Small Business Technology Transfer Programs provide opportunities in this regard. The SBA's loan programs are described next.

Borrow Favorably

SBA loans are the most common government-supported financing. They benefit borrowers who have limited collateral but strong cash flows. The federal government guarantees most of the loan, which significantly reduces the bank's risk. SBA loans provide unsecured financing over longer periods of time compared to conventional loans but attach owner personal assets.

The most common SBA funding is the 7(a), which offers a high degree of flexibility. It has a credit limit of \$5 million and terms of up to ten years, or even twenty-five years for real estate. These loans are to start, operate, and expand businesses, as well as to support buyers in acquisitions. The SBA website is SBA.gov.

Industrial Revenue Bonds (IRB) fully finance equipment or even new facilities at favorable interest rates. The issuing government exempts interest earned from tax, and sometimes even the property. The borrow-

ing limit is \$10 million per locality. However, spending is capped and subject to income tax restrictions. The Illinois Finance Authority (IFA) issues the bonds, with the website IL-FA.com.

Governments provide debt funding, especially for rural and disadvantaged areas. The United States Department of Agriculture (USDA) offers Rural Business-Cooperative Service (RBS), which includes a variety of grants and loans. The most significant are partially guaranteed Business & Industry (B&I) loans of up to \$25 million. The website is rd.usda.gov. Likewise, Illinois maintains several subsidized loan programs for agriculture. See agr.illinois.gov, iira.org, and IllinoisTreasurer.gov.

The federal government actively encourages exporting by providing various financing options. Through a guarantee, the U.S. Export-Import Bank enables an exporter's bank to advance against foreign accounts receivable and designated work-in-process. Direct loans are also available. The website is EXIM.gov. Similarly, the SBA offers the Export Working Capital Program (EWCP).

Illinois supports small and new businesses lending through its Capital Access Program (CAP) and Collateral Support Program (CSP). Information is at Illinois-Innovation.com.

Within the SBA, the federal government funds licensed Small Business Investment Companies (SBIC) \$3 for every \$1 in equity capital.

Save Income Taxes

Unlike other incentives subject to application and approval, income tax credits and deductions claimed on tax returns benefit businesses having taxable income. The Tax Cuts and Jobs Act, effective in 2018, introduced new incentives, some of which are permanent and others temporary. Tax benefits may be subject to annual renewal and sunset, which can impact planning. It behooves readers to discuss with their tax advisors and visit accounting firm websites, such as MillerCooper.com or other trusted sources.

Until 2025, the Qualified Business Income Deduction (QBID) offers a 20% deduction

for manufacturers and certain other businesses owned directly or through pass-through entities such as S corporations and Limited Liability Companies (LLCs) filing as partnerships. This deduction makes flow-through income more favorable to owners than salary.

Capital goods expensing tax provisions allow for the accelerated write off of costs normally depreciated over several years. Since September 27, 2017, bonus depreciation has enabled an immediate 100% deduction for personal property purchases, such as new or used machinery and equipment. In 2023, the deduction began to phase out by 20% per year.

Another option for capital expenditures is the ability to write off personal property and certain real estate improvements under the Internal Revenue Code section 179 small business expensing rules. For 2024 and future years (adjusted for inflation), businesses may expense up to \$1,220,000, provided their spending is below \$3,050,000. Expensing applies to capital expenditures before bonus depreciation. For businesses expanding their facilities, cost segregation separates property qualifying for bonus depreciation and section 179 from non-qualifying real estate.

A widely applicable incentive is the tax credit for research and development. Research is only required to be new to the taxpayer, not the scientific community. Qualifying research is directed toward technological activities performed in the U.S., such as developing new products, improving manufacturing processes, or designing software. Additionally, qualifying activities must relate to new or unique challenges, involve uncertainty, and include experimentation to select among alternatives. Beginning in 2022, requirements to capitalize and amortize research expenditures over five years may mitigate the benefits.

Alternative energy incentives cover production, distribution, and consumption. The Electric Vehicle (EV) Purchase Tax Credit offsets the higher cost of conventional trucks, capping at \$40,000 per vehicle purchase. Other credits include up to

\$100,000 per EV charger installed.

Export incentives allow U.S. companies to obtain tax advantages through Domestic International Sales Corporations (DISC), deferring income from foreign sales through a shell entity taxed only upon its distribution at dividend rates. Additionally, regular C corporations may obtain a 37.5% deduction on foreign-derived intangible income through 2025.

Other deductions that are at the taxpayers' discretion include the last-in, first-out ("LIFO") method of inventory accounting, which is beneficial to elect when prices are rising. Utilizing government indexes minimizes documentation risks. Businesses averaging under \$25 million in gross receipts can elect the cash method of accounting,

even if they have inventory, giving them more control over the timing of revenues and expenses. Work Opportunity Tax Credits are for wages paid to targeted groups.

When selling a business, lower capital gains rates can apply. For sales of regular C corporation stock meeting criteria as Qualifying Small Business Stock (QSBS), federal tax may even be zero. Sellers of assets can benefit from Pass-Through Entity (PTE) state and local income tax deductions. Capital gains may also be deferred by re-investing them in economically distressed Opportunity Zone property. After a seven-year hold, taxpayers can exclude 15% of the gain, and after ten years, property appreciation is exempt. Historic structure rehabilitation costs are also tax-favored. ♦

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THE CEO - CFO RELATIONSHIP: A VITAL PARTNERSHIP

THE OVERTURE GROUP



In today's business environment, companies that are high-performing and growth-oriented have one vital relationship in common: the Chief Executive Officer and the Chief Financial Officer. This relationship is built on trust and communication, and they share a common vision. They support each other and also define and embody the company's culture. However, building such a relationship takes time and effort, just like any other relationship.

As the co-founder and managing partner of The Overture Group, I have been involved in Executive Search and Recruiting for over 30 years. I also head the Leadership Group - one of the premier executive career management asso-

ciations in the Midwest. The group has over 375 CEOs and CFOs as members. I have weekly conversations with these members and my clients about the importance of their relationships and what makes them work.

A Shared Focus

As someone who has spent a lot of time in the company of CEOs and CFOs, I have developed a keen ability to gauge their working relationships. When both parties have a strong mutual respect, it is evident and quite inspiring. They don't just work well together, but rather they have a deeper understanding of each other. They allow each other to speak without interruption and they actively

listen to one another. Even if one of them is absent from a meeting, they know exactly how the other would react. If there is ever a disagreement, they make sure to hear each other out and value each other's point of view. This can lead to a healthy, open, and honest debate, which ultimately allows them to make decisions that they both support and can see through to completion. While they work as a team, a skilled CFO understands that the CEO has the final say and will support them to achieve their shared goals.

I had the opportunity to speak with several CEOs and CFOs for this piece and asked them about the main goal of their relationship. As expected, many

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talked about maximizing shareholder return. This can come in different forms, such as financial results or developing a high-powered collaborative culture. If the CEO and CFO are aligned, the entire executive team will follow their lead and that synergy will lead to success. However, if the CEO and CFO relationship is not in sync, the team and company will suffer.

Trust & Communication – The Foundation of Success

Dr. Don McNeeley, the Chairman & CEO of Chicago Tube and Iron, offered his insight by saying that any successful organization needs a C-Suite group that operates as an aligned team working together with mutual respect. As the C-Suite group is responsible for making decisions that affect the long-term operation of the firm, the CFO is the one who provides the critical information from which those strategic decisions are made. According to Dr. McNeeley, there is no more important member of the C-Suite than the CFO, as they are responsible for providing the information that provides the foundation for determining the future.

In a successful partnership, both parties must possess certain characteristics, but it all begins with trust. They should have confidence that their decisions and actions are primarily focused on the betterment of the company, shareholders, and employees. They must share a common perspective and live each day with the company's vision and values in mind. They should be aware that, during challenging times, they will support each other and work together towards a common objective. Dr. Henry Cloud's book *Trust* highlights that the essence of trust lies in knowing when to give, withhold, earn, and repair it when it is broken. In my opinion, these elements are critical for a CEO and CFO to develop trust.

Collaboration & Transparency

CEOs and CFOs experience both good and bad times in business. They must work together as a team, showing up

and resolving issues collaboratively. This builds trust, which is the foundation of a strong relationship. Once trust is established, other important characteristics such as respect, transparency, strategic thinking, collaboration, and the drive to succeed can be cultivated. These are the key components of success in any organization. However, if trust is broken, the company may face major setbacks, and it can be challenging to regain momentum.

Transparency is a crucial element of success, and CEOs do not appreciate surprises. If a CEO is caught off guard, they may feel unsupported and doubt their team. It is the CFO's responsibility to ensure that the CEO is aware of everything that is happening in the organization and to communicate any necessary issues ahead of time.



Vision & Strategy

The CFO should always have solutions at hand and present options to the CEO for consideration. Knowing when and how much to push is crucial for the CFO to get the best out of the CEO. However, sometimes it is necessary to step back and assess the bigger picture. Often, these meetings happen after 5 o'clock, where they can discuss and work on the business rather than being "in" the business.

Effective discussions and communications between the CFO and CEO must go beyond mere transparency. While it is crucial for the CFO to ensure that the CEO is not caught off guard by any sur-

prises, the CFO must also have the courage and respect to convey any news or information that the CEO may not want to hear. The CFO must challenge the CEO in such a way that they are receptive to listening, seeing the bigger picture, and thinking strategically. In situations where everyone seems to be on the same page, the CFO must ensure that the CEO gains perspective and considers all possible outcomes before making any decisions.

The Will to Win: Building a Better Engine

One of the strongest characteristics of a great CEO-CFO relationship is the "will to win". The ultimate goal is to achieve the company's strategic objectives. Though this term may not be commonly used, it's just like an athlete who trains to compete and win the game. CEOs and CFOs like to see the fruits of their labor and they understand that it takes a team effort to work together as a cohesive unit. They collaborate to get their employees to buy into the plan by providing them with the necessary tools and removing any obstacles that may hinder their progress. They do this together, and they can accomplish their goals if they have faith in one another.

Ron Barthel, CFO of Parksite, a successful distributor of building and construction products, believes that his 40-year relationship with his CEO has been successful because they work together to build a bigger and better engine that can go faster, resulting in a company with maximum organizational power.

A strong and healthy relationship between a CEO and CFO can help a company reach its true potential. Trust, mutual respect, open communication, and a focus on a common goal are key elements in building such a relationship. ♦

THE POWER OF BEING A WOMAN MAKER

SARAH HARTWICK, VICE PRESIDENT OF
EDUCATION & WORKFORCE POLICY



Today in manufacturing, women make up less than one-third of the workforce, according to a recent study by the National Association of Manufacturers' Manufacturing Institute. The IMA's Board of Director Chairwoman, Renee Togher, President of Azteca Foods, views the gender gap as an opportunity to connect Illinois women in manufacturing and to help close the gender gap by inspiring future generations of women makers. The IMA Board of Directors includes nine female board members representing each part of the State. In preparation for our revamped Women Makers Series, the IMA interviewed some of our female board members to level set the newly rebranded, thriving Women Makers Series to connect women makers throughout the state with women in leadership. These board members shared their unique experiences related to the barriers they have overcome to be in the positions they are in today, not unique to the manufacturing industry. Their stories cover their individual experiences as women who have risen within the workforce as partners, mothers, daughters, wives, and more and how that has helped them to navigate the workforce and strengthened them as leaders. The video compiled with clips of each interview can be found [on the IMA's Youtube Channel](#).

To that end, the IMA kicked off this year's Women Makers Series: The Power of Being a Woman Maker in April, which focused on the business case for strong communication. Over 100 women gathered representing every level of manufacturing at the women exclusive event that provided attendees with the opportunity to hear from presenters about their personal experiences as women leaders in the manufacturing industry. Featured speakers included special guests Director Kristin Richards of the Illinois Department of Commerce and Economic Opportunity, Lieutenant Governor Julianna Stratton, State Comptroller Suzana Mendoza, and IMA female board members that led an engagingly personal and professional discussion on the challenges women face across generations. Themes discussed included the challenges and barriers that are often faced by women in leadership, advice on innovative and effective communication techniques, how to be an advocate, and tips on supporting women in the workforce in general. The event brought women together from across Illinois and fostered an environment of women supporting one another in today's world. The event allowed attendees to not only connect with other IMA women makers but left attendees with actionable steps to improve business relationships at every level of leadership.

The Women Makers Series will continue in the coming months featuring smaller regional roundtable discussions with women leaders across the state. The next event will be a luncheon meeting hosted at 17th Street BBQ in Murphysboro on Wednesday, July 24th. The Women Makers Series will be hosting additional roundtable discussions on Tuesday, September 17th in Decatur followed by an End-of-Year Happy Hour on Thursday, December 5th in Chicago, the evening before the IMA's Annual Lunch. Keep an eye out for upcoming events in the series. We hope to continue to build a strong network of women makers across Illinois!



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At the nexus of Illinois policy, politics, and manufacturing lies the Illinois Manufacturers' Association's Government Affairs team, the leading voice for business in Illinois and the only statewide trade association advocating exclusively on behalf of Illinois manufacturers. The 2024 Spring session of the Illinois General Assembly concluded in the early morning, pre-dawn hours of Wednesday, May 29, after marathon weeks and days of constant hearing, debate, negotiation, and excellent advocacy by the IMA's team. In the end, the session was marked by significant legislative victories that promise to shape the future of manufacturing in Illinois.

Legislative Advocacy: The Core of the IMA's Mission

Advocacy lies at the heart of the IMA's mission. The association works closely with state legislators, regulators, and policymakers to influence legislation that affects the manufacturing sector. This involves a multifaceted approach, including direct lobbying, grassroots mobilization, public relations campaigns, and coalition-building. In 2024, the IMA's advocacy efforts have been particularly impactful, addressing a broad spectrum of issues critical to manufacturers. From tax issues and workforce development to environmental regulations and energy policies, the IMA has been at the forefront, driving change and securing favorable outcomes for our members.

The IMA's Government Affairs team is led by Donovan Griffith, Vice President of Government Affairs, and also includes Gabriela Garza (Director of Government Affairs), Mark Denzler (President & CEO), Gordy Hulten (Chief Operating Officer), Sarah Hartwick (Vice President of Education and Workforce Policy), and Christine Sisk (Director of Operations & Executive Assistant). The team has decades of combined experience as legislative and administration staff and in advocacy work, deep knowledge of the policy issues that impact Illinois manufacturers and other businesses, and a broad spectrum of productive relationships with policymakers across Illinois state government. The expertise, depth, and skill of the IMA's government affairs team allow for early identification of potential issues in legislation, effective negotiation on critical issues, and effective communication with IMA member companies about pending issues and necessary actions to be taken.

Four Key Legislative Successes in 2024 Formation of Illinois Manufacturing Caucus

In January 2024, the IMA, in collaboration with members of the

Illinois General Assembly, launched a groundbreaking initiative: the Illinois Manufacturing Caucus (IMC). This new bipartisan and bicameral legislative caucus was established with a clear mission—to educate elected officials on the indispensable role of manufacturing in the state's economy and the critical policies that impact the industrial sector. Legislators from each caucus serve as co-chairs to help lead the effort, encourage participation in the meetings, and serve as conduits of information and communication with their respective caucuses: Representative Amy Elik (R), Representative Justin Slaughter (D), Senator Sue Rezin (R), and Senator Patrick Joyce (D).

The IMC has quickly become a dynamic platform where legislators, industry experts, individual manufacturers, and business groups converge to discuss pressing issues. The caucus held monthly meetings during the legislative session, each designed to dive deep into topics that resonate with the manufacturing community. From workforce development and pharmaceutical legislation to carbon capture and storage, and new legislation introduced by the Illinois General Assembly, these sessions were rich with robust discussions and networking opportunities and fostered stronger relationships between key legislators, the IMA staff, and IMA members.

Tax & Budget Issues

The state budget faced real decision points for the first time since the pandemic infused Illinois' coffers with billions of dollars in federal support. Spending pressures forced legislators familiar only with artificial surpluses with difficult choices. The final budget reflected many of Governor JB Pritzker's priorities as introduced in his earlier budget proposal, including almost \$1 billion in tax increases. However, even faced with challenging budget arithmetic, several IMA priorities were addressed in the budget, including continued funding for the IMA-administered Employer Training Investment Program (ETIP) grant, support for the state's manufacturing job promotional campaign, and an increase in the Corporate Franchise Tax exemption from \$5,000 to \$10,000 with no sunset. Unfortunately, the net operating loss (NOL) cap, which was to expire at the end of this year, was extended by three years, albeit with an increase to \$500,000 from \$100,000.

The budget package also included a number of economic development incentives that were IMA priorities, including an early five-year extension of the research and development tax credit, and an expansion of the EDGE, REV, and MICRO incentive programs,

to help attract companies to Illinois. REV and MICRO are specifically targeted to electric vehicle and semiconductor manufacturers and their supply chains.

Carbon Capture & Sequestration

In this legislative session, the IMA focused on establishing intelligent and pragmatic regulations for carbon capture and storage (CCS) within the state statutes. To spearhead this initiative, the IMA co-founded the Capture Jobs Now Coalition, a diverse alliance encompassing business organizations, individual companies, organized labor, and agricultural groups. The Coalition's mission is clear: to leverage federal funding and position Illinois as a national leader in CCS technology. A study by the Prairie Research Institute at the University of Illinois highlighted the tremendous potential of CCS development, predicting the creation of 14,400 jobs and an infusion of over \$3 billion into the state's economy. This economic boon includes new opportunities in the construction industry and the ongoing operation of CCS facilities.

The IMA's efforts to establish CCS regulations have been ongoing for years, marked by the championing of various legislative pieces. This session, however, was pivotal. Working closely with the Coalition, environmental groups, and the Pritzker Administration, the IMA helped craft and advocate for language that culminated in the passage of SB 1289 (Williams, A.-D./Fine-D) in the final days of the session. Key to this achievement were numerous IMA members who led discussions and negotiations within the Coalition, driving the bill through the legislative process. Their efforts ensured that SB 1289 not only advanced but also garnered bipartisan support in the General Assembly.

SB 1289 establishes a comprehensive regulatory framework to advance CCS in Illinois, balancing safety, environmental protection, and economic growth. The bill includes robust landowner protections, a short moratorium on CO2 pipelines, stringent safety measures, and strong environmental safeguards. This framework is designed to allow CCS to flourish, aiding Illinois in meeting its clean energy goals while promoting economic development and job creation. The IMA's advocacy played a crucial role, with representatives testifying in support of the bill in both the House and Senate. The successful passage of SB 1289 marks a significant victory for those involved in CCS and for businesses looking to reduce their carbon footprint through innovative technologies.

Food Additives Ban

In a decisive move to protect the interests of Illinois food manufacturers, the Illinois Manufacturers' Association (IMA) successfully thwarted legislation aimed at banning certain food additives. The proposed bill, SB 2637, spearheaded by Senator Willie Preston (D-Chicago) and Representative Anne Stava-Murray (D-Downers Grove), sought to prohibit the manufacture, sale, delivery, and distribution of food products containing brominated vegetable oil, potassium bromate, propylparaben, or red dye 3. The initiative was notably supported by Illinois Secretary of State Alexi Giannoulias, who brought significant media attention to the issue.

More concerning was a proposed amendment to the bill that aimed to include titanium dioxide among the banned additives. This expansion posed a severe threat to the food manufacturing industry in Illinois, potentially leading to widespread disruptions. Recognizing the urgency, the IMA mobilized swiftly. They engaged in strategic meetings with legislators, testified in committee sessions, and forged alliances with key industry groups such as the National Confectioners Association, American Bakers Association,

Consumer Brands Association, and American Chemistry Council. The IMA also held critical discussions with Senate President Don Harmon and House Speaker Emanuel "Chris" Welch, highlighting the detrimental impact the bill would have on food manufacturers statewide.

A central argument presented by the IMA was the necessity of relying on the Food and Drug Administration (FDA) for food additive regulations. The FDA's stringent approval process ensures that any additive is safe for consumption at its intended level of use, based on rigorous scientific testing and assessments. The IMA contended that bypassing the FDA's expertise would lead to a fragmented regulatory landscape, complicating compliance for manufacturers and confusing consumers. While SB 2637 managed to pass the Senate, the concerted efforts of the IMA and its allies ensured that titanium dioxide remained excluded from the bill. Furthermore, the IMA led efforts to successfully stall the legislation in the House, where it never progressed to a committee hearing throughout the spring session. Attempts to placate the IMA by delaying the sales ban and lifting the manufacturing ban fell short, as the bill still threatened to undermine the FDA's established authority.

The Work Continues

The IMA also secured a number of other significant victories during the 2024 legislative session, including stopping legislation to ban the use of PFAS or registration on products containing PFAS, championing legislation to make Illinois' egregious laws on day and temporary workers more clear for employers while shifting responsibility away from manufacturers who utilize day laborers, stopping legislation that would force quotas and emission standard sin and around warehouses, stopping legislation that would hurt Illinois companies financing their own products, and more.

The government affairs team continues to work even after the legislative session ends. The Manufacturing Caucus will be visiting a number of IMA manufacturers this summer and fall. In a few weeks, legislator ratings will be released, highlighting each Representative and Senator's voting record on the IMA's legislative priorities, in advance of November's election. In August, our annual golf outing fundraiser will be held to benefit the Manufacturers Political Action Committee (MPAC), with funds used to engage in political campaigns on behalf of candidates and legislators supportive of IMA priorities.

In a year marked by significant legislative achievements, the Illinois Manufacturers' Association has solidified its reputation as the leading advocate for the manufacturing sector and general business community. The successes of 2024 reflect the IMA's strategic vision, effective lobbying efforts, and dedication to fostering a thriving manufacturing environment in Illinois. As the association continues to champion the interests of our members, the future of manufacturing in Illinois looks brighter than ever. If you have an idea for legislation that can benefit manufacturing as a whole, your sector, and even your company in particular, or you have an example of an unnecessarily burdensome or outdated regulation, please contact the IMA's government affairs team for a discussion and consideration for future advocacy work. Also, if you are interested in becoming more involved in the IMA's government affairs work, please contact VP of Government Affairs Donovan Griffith (dgriffith@ima-net.org) to be added to the appropriate IMA email lists, including notifications about weekly Government Affairs conference calls, and twice weekly email summaries about legislative issues during session. ♦

TOP 3 CHALLENGES FOR BUSINESSES STARTING A SUSTAINABILITY PLAN

CONSTELLATION

As the demand for energy continues to rise, integrating sustainability into your energy strategy has emerged as a key priority. This approach not only aims to meet your current energy needs but also focuses on reducing environmental impact, promoting clean energy resources, and ensuring long-term sustainability.

The value of an integrated energy strategy has been evident for years, but organizations often face significant challenges in developing and implementing a comprehensive sustainability plan. The pursuit of sustainability progress and decarbonization alongside energy management is creating a new level of complexity that is transforming day-to-day business operations. There are countless energy solutions in the market with new technologies emerging every year, but deciding which ones to implement, how, and when can be a significant undertaking. Even for those that have successfully shaped their strategy, many find that they are ill-equipped to measure its effectiveness, timeliness or ROI.

Constellation Navigator, with its deep experience in energy management and sustainability, is well-equipped to help your business address these complex challenges and create effective sustainability strategies.

Navigating Common Hurdles in Sustainability Planning

Procurement teams, sustainability teams and facility managers often face a range of challenges when developing and implementing a comprehensive sustainability plan. From producing insights based on operational data to managing costs, these challenges can stem from various aspects of their operations. Let's explore three of the most common challenges teams encounter and how Constellation Navigator can help overcome them.

Digitization

Digitizing files and automating data collection is often spurred by a simpler need: visibility. Your business needs oversight into its costs and operations, but you still may be managing manual data entry and generating reports in spreadsheets, leading to human prone error and lacking auditability and transparency. For some businesses, these activities are so time consum-

ing that the task is only completed quarterly or annually, even when the insights would be valuable more frequently.

To help you gain visibility and insights, Constellation Navigator works with you to:

- Automate data ingestion, normalize large datasets and validate data accuracy to help catch errors you may be overlooking.

As a Constellation electricity or natural gas customer, we can have this data digitized and available for additional analysis.

- Create reporting, alerts and customized dashboards that refresh whenever new data is available, potentially eliminating the need for manual data entry or compiling spreadsheets.

- Customize analytics to get the visibility you need and uncover insights you previously may not have had access to.

By leveraging Constellation Navigator's data management solutions, you can save time, streamline your processes, and gain valuable insights to make information decisions and drive operational efficiency.

Sustainability

While many organizations have begun to develop sustainability goals and a clear path to achieve them, just as many are unsure where to start. It may be difficult for your business to keep up with changing legislation, customer or supply chain demand, and stakeholder pressure from investors, employees, consumers and clients.

Constellation Navigator can help your business:

- Calculate a baseline footprint across your portfolio of facilities and vehicles.
- Build a decarbonization roadmap based on the unique characteristics and goals of your business.
- Use GHG Protocol and other standard reporting frameworks to measure progress over time.

With Constellation Navigator's

Sustainability Advisory, you can develop a clear strategy, set achievable targets, and demonstrate your commitment to environmental responsibility, positioning your business for long-term success in the evolving sustainability landscape.

Cost Management

Cost management often focuses on reducing energy costs through a power or gas contract and minimizing market volatility. For some, cost is also a major factor driving choices in on-site projects or equipment upgrades, while for others, simply finding ways to streamline operations and save time helps their team do more with less.

To help find opportunities to manage costs, Constellation Navigator works to:

- Automate data management and reporting and set up secure bill pay to help alleviate the amount of time your Accounts Payable team spends fulfilling routine tasks.

- Strategize the priority and sequencing of on-site projects and equipment upgrades to help maximize the potential rebate or incentives offered by local utility programs.

- Establish one continuous data ingestion process that can be shared across platforms so that your procurement team, Accounts Payable team, and sustainability team are all working from the same playbook.

By implementing Constellation Navigator's cost optimization strategies, you can reduce operational expenses, maximize incentives, and streamline processes, allowing your business to focus its resources on growth and sustainability goals.

Let Constellation Navigator Optimize Your Sustainability Journey

You may face many challenges in shaping and measuring the effectiveness of your integrated energy strategies. Our dedicated Constellation Navigator team is committed to providing the clearest path for you to set and meet your environmental and operational goals, making it easier for you to achieve sustainability success. ♦

MANUFACTURER DRIVES UP PRODUCTIVITY (AND REVENUE) 15-20% WITH AI

CLIFTONLARSONALLEN LLP

Artificial intelligence (AI) has taken the world by storm over the last 24 months. Seemingly overnight, it leapt from a future concept to suddenly the headline of every news story. Today, early adopters have already begun to take advantage of AI technology in the IT, banking, healthcare, and manufacturing segments by prioritizing their digital use cases. One thing is for sure, regardless of the industry, the common thread across use cases is massive amounts of data.

The manufacturing industry generates massive amounts of critical data that is needed for making real-time business decisions. Without contextualization, data often goes unused, yet to perform the analysis needed, manual data processing is often required. With a historically siloed set of systems, software, and processes, the benefit of using AI technology in manufacturing could be far-reaching.

While the business justification for AI may seem straightforward to some manufacturers, there is a common misconception that AI solutions are meant for larger, high-tech companies, but there are viable use cases today for manufacturers of all sizes. Here's how one company turned their business goal into an actionable strategy that combined the Lean Six Sigma process, digitization, and AI technology to increase their productivity without additional headcount or capital expenditures.

The Why

Last year, the company set out to achieve an ambitious goal of double-digit productivity growth. With multiple production lines running 24/7, there is little margin for error at this manufacturer. When the leadership team noticed variability in their product quality, yield, and equipment downtime they made it a priority to understand why.

The How

It all comes back to the data. Both operations and maintenance teams play key roles in optimizing production. For this manufacturer, the data revealed productivity variability between shifts. It became apparent that decision-makers needed a real-time view into the yield, throughput, and

downtime between operational teams. It also became clear that what is being measured is arguably as important as the data itself. Take downtime for example. In this instance, the manufacturer was only capturing the time it took to get up and running. While time is certainly the direct correlation to profitability, this metric alone was not able to tell the full story. Without knowing the actual issue causing the downtime this manufacturer was continually troubleshooting the same or similar challenges and never truly improving. By implementing a process step to document the corrective action, the operations team can get equipment up and running faster.

The Role of AI

Without the data, none of their improvements would have been possible. After data is collected, AI technology processes and makes sense of it through a modeling process. The manufacturer chose to include AI technology in their solution to efficiently manage the large amount of data from multiple continually operating lines. Working alongside staff, AI processes the data to quickly identify anomalies and trends. Removing the manual aspect not only enables scale but also frees time for operators to focus on higher-value tasks.

But a successful AI implementation requires leadership support across business functions – IT, Finance, and Operations. In addition, strong change management processes and communications can help pave the way for the future improvements necessary to support the company's vision for long-term growth.

Results

Setting productivity targets is commonplace in the manufacturing industry. What is unusual is a company setting aggressive double-digit goals with the goal of no additional staff or production lines. In this case, a combination of digitization, Lean Six Sigma, and AI technology is helping to work toward an estimated 15-20% capacity utilization improvement (this is still in progress) without additional investment in headcount or production lines. Beyond the metrics, having access to the right information is positive for the business and also has an impact on employee morale and company culture.

When you step back and look at the bigger picture, AI in manufacturing is in its infancy. From capacity improvements to the ability to predict problems before they occur, today AI helps manufacturers prepare for and adapt to ever-changing market demands. As it continues to advance, integration will drive even more innovation, efficiency, and competitiveness. With digital transformation at the forefront of many manufacturing business strategies, imagine what AI technology can do.

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting, investment, or tax advice or opinion provided by CliftonLarsonAllen LLP (CLA) to the reader. For more information, visit CLAconnect.com.

For more information on AI in manufacturing in Illinois Statewide, contact Noel Hopkins at Noel.Hopkins@CLAconnect.com or 317-517-3630. ♦



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COMPLYING WITH CHICAGO'S PAID LEAVE AND PAID SICK AND SAFE LEAVE ORDINANCE

GREENSFELDER, HEMKER & GALE, P.C.

The City of Chicago's new Paid Leave and Paid Sick and Safe Leave Ordinance (the "Ordinance") went into effect on July 1, 2024. The Ordinance requires covered employers to provide covered employees with the ability to earn up to forty (40) hours of paid leave to be used for any reason of the employee's choosing, and forty (40) hours of paid sick leave (to be used for the sick- and safety-related reasons outlined in the Ordinance) in any consecutive 12-month benefit period.

The Ordinance defines "employer" as "any person who gainfully employs one employee." The Ordinance defines "employee" as "any individual who performs work for an employer in the capacity of an employee, as distinguished from a [independent] contractor." More specifically, however, a "Covered Employee" is "an employee who works at least 80 hours for an employer within any 120-day period while physically present within the geographic boundaries of the City."

Importantly, this means that manufacturers who are located and/or based outside of Chicago, but for example, have employees working on jobsites located in Chicago, if and when those employees work 80 hours within any 120 period while physically present within the geographical boundaries of Chicago, those employees will meet the definition of a "Covered Employee." This is important, because per the Ordinance, "once the threshold is reached, the Employee will remain a Covered Employee for the remainder of the time that the Employee works for the Employer." However, only hours worked by the covered employee while physically present within the geographic boundaries of Chicago will count toward the accrual of the 40 hours of paid leave and paid sick leave.

Two other classifications of "employees" that could unknowingly require manufacturers to comply with the Ordinance are remote workers and employees who telecommute, once either meets the 80 hours within any 120 period threshold while physically working from their home residence located within the geographical boundaries of Chicago.

For any manufacturer who employs a covered employee, the Ordinance has

very specific requirements, a high-level summary of certain key provisions is set forth below. Importantly, the Ordinance does not impact any collective bargaining agreements that are in effect on or before July 1, 2024. After July 1, 2024, employers and unions may agree to a waiver of the paid leave and paid sick leave requirements under the Ordinance if the waiver is set forth in the CBA in clear and conspicuous terms.

Accrual, Frontloading and Carryover, and Usage

Commencing July 1, 2024, or the first calendar day the covered employee begins employment after July 1, 2024, covered employees accrue paid leave and paid sick leave at the rate of one hour of paid leave and one hour of paid sick leave for every 35 hours worked while physically present in the in geographical boundaries of Chicago. Alternatively, employers may "immediately grant" (i.e. frontload) covered employees with 40 hours of paid leave and/or 40 hours of paid sick leave on the covered employee's first day of employment or the first day of the applicable 12-month benefit period. If a manufacturer chooses to frontload time in lieu of accrual, it must make written notification of this as well as the availability of all the frontloaded hours being provided to the covered employee at the beginning of the 12-month period.

Manufacturers may establish a 12-month period of their choosing, keeping in mind that the Ordinance and its requirements commenced on July 1, 2024. The designated 12-month period must be consecutive months such as the employee's anniversary year, the calendar year, a contract year, the fiscal year, or the tax year.

If a manufacturer frontloads 40 hours of paid leave to employees at the beginning of the benefit year, it does not have to allow the covered employee to carry over any unused paid leave hours into the next 12-month benefit year. If a manufacturer utilizes the accrual method, it must allow the covered employee to carry over up to 16 unused paid leave hours from one 12-month benefit year to the

next. Importantly, regarding paid sick leave, manufacturers must allow covered employees to carry over up to 80 hours of paid sick leave hours into the subsequent 12-month benefit year, regardless of whether the manufacturer frontloads the required 40 hours of paid sick leave immediately or utilizes the accrual method.

Because the Ordinance does not place a limit on the amount of paid leave and/or paid sick leave hours a covered employee may use during the applicable 12-month benefit period, this means covered employees could ultimately accrue and use up to 56 paid leave hours and up to 120 paid sick leave hours in any applicable 12-month benefit year. The Ordinance permits manufacturers to implement a waiting period for usage, regardless of if the paid leave or sick leave hours are frontloaded or accrued. For example, manufacturers can require newly covered employees hired after July 1, 2024, to wait 90 calendar days after starting employment to use any paid leave and 30 calendar days after beginning employment to use paid sick leave hours. Manufacturers may restrict the use of paid leave or paid sick leave to the covered employee's regular work week.

Manufacturers cannot require a covered employee to provide documentation or certification as proof or in support of paid leave use. The Ordinance indicates that employers can require covered employees to obtain "reasonable preapproval" before using paid leave for purposes of maintaining the continuity of business operations, and may deny paid leave use only after a consideration of several factors, including whether granting paid leave during a particular time period would significantly impact business operations, which may include blackout dates, so long as the employee still has a reasonable ability to utilize their time over the course of the 12-month period. Importantly, any denial of paid leave requests must be in writing, include the pre-established policy rationale for the denial, and be issued to the employee immediately.

For paid sick leave, only after the covered employee has been absent and uses paid sick leave for more than three con-

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secutive work days may a manufacturer require supporting documentation.

A manufacturer may require covered employees to provide advance notice of at least 7 calendar days advance for any foreseeable use of either paid leave or paid sick leave; for unforeseeable use, employees are only required to provide manufacturers notice as soon as is practicable on the day the covered employee intends to take paid leave or paid sick leave.

Payout Upon Separation of Employment

Depending on a manufacturer's size, they may be required to pay out an employee's accrued paid leave upon separation of employment or the employee's transfer to a non-Chicago location.

- Large employers (101 + covered employees) – must pay out up to 56 hours of unused paid leave upon separation.
- Medium employers (51-100 covered employees) must pay out 16 hours of accrued but unused paid leave until

6/30/25, then up to 56 hours on 7/1/25 and beyond.

- Small employers (1-50 covered employees) – no requirement to ever pay out paid leave.

The Ordinance does not require manufacturers never have to pay out any paid sick leave upon separation of employment.

Posting and Notice Requirements:

Manufacturers who have a facility located in Chicago must post at that facility the required Notice prepared by Chicago's Department of Business Affairs and Consumer Protection. Additionally, manufacturers must provide employees with a copy of the Notice through their usual methods of communication for such notices, whether by paper posting or electronic dissemination through the employer's internal communication channels. Manufacturers must post the Notice in other languages if at least 5% or more of the covered employees at a job-site are not literate in English.

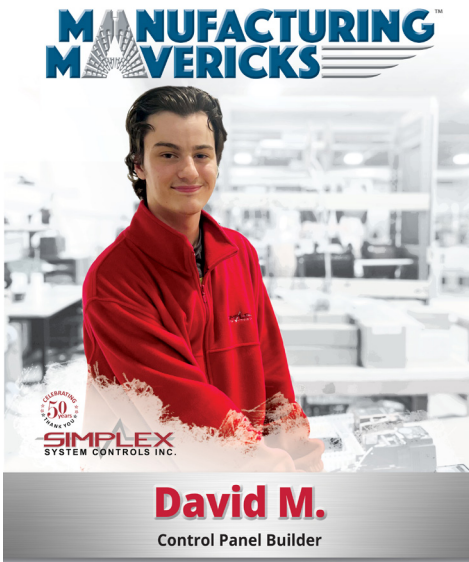
Manufacturers must provide covered employees with a copy of the Notice on or before July 1, 2024, to new hires upon hire, and every July 1 of each subsequent year.

Manufacturers are required to draft and provide written copies of their paid leave and paid sick leave policies to covered employees, which must include, among other things, advance notice procedures and the basis for denial of paid leave requests. For each pay period after July 1, 2024, manufacturers must provide covered employees with written notice stating an updated amount of paid leave and paid sick leave accrued and used since the last pay period, the amount of each remaining for the employee's use, and the accrual rate for these leave categories. Manufacturers may satisfy this requirement by including the information on the covered employee's paycheck or by developing an online system where employees may access this information. Manufacturers must also retain detailed records required by the Ordinance relating to paid leave and paid sick leave for at least five years.◆

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CUSTOM DIRECT, INC.



"I LIKE TO WORK WITH MY HANDS, AND I DON'T WANT TO BE SITTING BEHIND A DESK ALL DAY, SO MY CAREER IN MANUFACTURING IS PROVIDING OPPORTUNITIES TO GROW MY SKILLS IN AN INDUSTRY WITH MANY OPTIONS FOR HANDS-ON, CRITICAL THINKING WORK. AT FIRST, I ROTATED THROUGH A LOT OF DIFFERENT ROLES AT SIMPLEX DURING MY STUDENT LEARNER PROGRAM, AND NOW AS A WIREMAN, MY WORK HAS REALLY EXPANDED. I KNOW THIS IS A GREAT OPPORTUNITY FOR ME TO LEARN AND WORK IN MY CHOSEN CAREER OF MANUFACTURING."

David entered high school without a career path in mind but knew what he didn't want to do: sit at a desk. After completing several manufacturing-related classes, David was selected to participate in a (then) new program at a local manufacturer: Simplex

System Controls' Student Learner Program. Now 2 years after his graduation from York H.S., David is currently a Simplex System Controls Inc. wireman, taking classes at the College of DuPage to earn his Associate Degree. While enthusiastically supporting manufacturing for anyone interested in a dynamic, hands-on career, David can be found regularly leading the Simplex student tours throughout the school year.

Not surprisingly, David was the very first Manufacturing Maverick, an initiative introduced last year, which celebrates the next generation of manufacturers. By spotlighting the success stories of young adults who have excelled in manufacturing without a traditional 4-year college degree, Manufacturing Mavericks reinforces the idea that success comes in many forms and is not limited by educational paths.

Simplex System Controls, located in Elmhurst, Illinois, is a family-run business providing high-quality custom electrical and pneumatic control panels. Kurt Sundberg, President of Simplex, recently sat down with me to candidly discuss the path to success in building a sustainable workforce development program, including misconceptions, and prioritization demands.

"Initially, we weren't sure York would be a good fit, Elmhurst is a great community, and most students seem to head to college right after high school. Or so we thought. That was our first misconception. As it turns out, the school has a fantastic manufacturing curriculum!

Our second misconception became obvious pretty quickly: we thought we could build the program ourselves, working directly with a number of other local high schools to build an internship-like program (ultimately becoming the Simplex Student Learner Program). The time constraints were simply too much, and we found it extremely challenging to coordinate with the schools, counselors, and our team here at Simplex while running and growing our business.

And so, we began looking for an alternative path to workforce development,

and we were incredibly excited to learn about GPS Ed, who has become a tremendous partner. Now in our third year working together, the GPS Ed team provides invaluable insight into identifying high school students who would be a great fit for our Student Learner Program. Through their efforts, we have had several students work through our program while in high school, and beyond. We are so happy to have David as one of our initial Student Learners, and now working here post-high school while he is attending classes at College of DuPage."

The Simplex Student Learner Program development at a glance:

1. Define and structure the overall program
 - a. Shop floor roles to be included
 - b. Capacity for mentoring and completing jobs simultaneously
2. Identify and Train Mentors (GPS Ed provides training for the mentors)
3. Review student profiles (GPS Ed provides background information on each interested student, including classes taken, coursework completed, and their interest in specific manufacturing skills)
4. Soft skills training (GPS Ed provides students with insight on how to interview, demonstrate commitment to the job, and overall good team member behavior)
5. Students who reach out to Simplex for program consideration are interviewed and participants are selected prior to the new school year
6. Program begins
 - a. In the 1st semester, the student spends 1-2 weeks in each area of the shop floor
 - b. In the 2nd semester, the student chooses 1 area to focus their work
7. GPS Ed participates in all Student Learner reviews and supports both Simplex, and the student, in achieving their best potential.

Kurt offers this insight for anyone considering a student learner type program for their own company. "We have had students from 3 different high schools and now find the word is spreading about our program, and we are getting interest from even more schools. GPS Ed is working with us to bring two student work shifts per day, one in the morning and another in the afternoon. This will be really helpful in showing the student even more aspects of our work, which can be time sensitive. We are happy to provide students with opportunities to learn about careers in manufacturing, and we benefit from their enthusiasm on the job."

"MY CAREER CHOICE WAS EASY. I COULD PAY A CRAZY AMOUNT OF MONEY TO GO TO COLLEGE OR WORK AND MAKE MONEY TODAY! I TOOK WOOD SHOP IN HIGH SCHOOL AND MY EXPERIENCE WITH CNC MACHINES HELPED ME LEARN HOW TO PROGRAM THE FIBER OPTIC LASER WITH SIGMANEST SOFTWARE. I PREFER WELDING AND I HAVE ACCOMPLISHED A LOT SINCE I JOINED PREMIER MANUFACTURING OVER A YEAR AGO. WORKING IS ALWAYS FULL OF SURPRISES AND DIFFERENT CHALLENGES."

This laser-focused insight (pun intended) comes from another Manufacturing Maverick, Matthew, a TIG Welder with Premier Manufacturing Corporation. Matthew found his shop classes in high school and manufacturing classes at College of DuPage provided a fantastic foundation for a career in welding. At Premier Manufacturing, he has found an enthusiastic and encouraging company culture that keeps him challenged while he continues to expand his skillset.

Premier Manufacturing, located in Addison, Illinois, is a precision metal fabricator, providing laser cutting, artistic welding, precision fabrication, and finishing, as well as sheet metal assembly and engineering solutions.

Leading by example, Susan Fischer, President of Premier Manufacturing, gets into the office early and meets with the team each morning for freshly brewed coffee before the shop day begins. Susan appreciates the camaraderie and understands how important it is to provide an environment where everyone is valued and feels comfortable sharing their ideas – the basis for her strongly held belief that manufacturing offers the most incredibly rewarding and unique career opportunities.

During our conversation earlier this month, Susan explained, "As a business owner, you must show a career path for each team member which demonstrates that on-the-job learning leads to more responsibilities, greater skill sets, and compensation which reflects this professional growth. If you want an employee to invest their career in your company, you must invest in them too!"

Like many manufacturing firms, Susan tried several different paths to grow the Premier Manufacturing workforce. Placement agencies, online job boards, and direct recruiting efforts all fell flat, with candidates not bringing a level of interest, much less skillset, necessary for a successful manufacturing career.

With a bit of luck and tremendous optimism, Susan learned about the College of DuPage's Project Hire Ed Apprenticeship Program from a customer and immediately reached out to the college for details. And, as they say, the rest is history ... COD Project Hire Ed provided two high achieving welding students with the opportunity to interview with Susan, and from those candidates, Matthew was offered a role with the Premier Manufacturing team following a robust hands-on welding interview process.

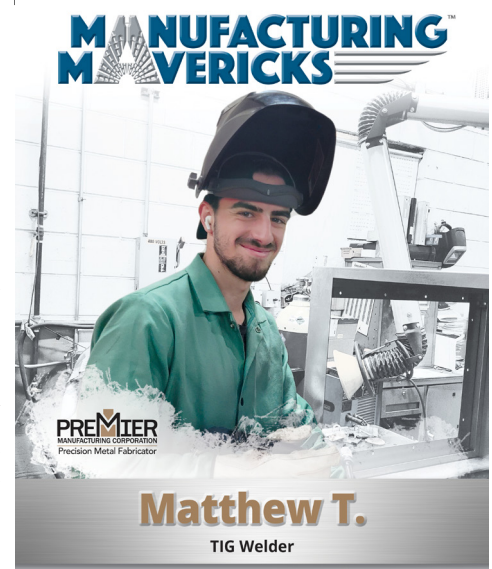
With the success of finding Matthew through Project Hire Ed, Susan is now working with GPS Ed to begin a Premier Manufacturing Summer Internship

this month. Much like the process Kurt explained for their Simplex student program, Premier has benefited from the insight and legwork GPS Ed provides in identifying students interested in manufacturing careers and will now have a rising high school senior joining the team this summer.

Susan is enthusiastic about the future generation of manufacturers and has a word of advice for parents of high school students, "Rather than spending your summer visiting college campuses, why don't you spend a few days visiting manufacturers in your area – you may be very surprised at the career opportunities in your own backyard!"

Whether your manufacturing firm is considering an apprenticeship program or looking for actionable steps to build your workforce through company culture development – the path to successful recruitment begins with a new generation of candidates interested in manufacturing. The power of seeing someone you can relate to, in a manufacturing role they love, has a tremendous impact in changing preconceived notions, or complete disinterest, in a manufacturing career.

ManufacturingMavericks.com will continue to celebrate the next generation of manufacturers and spotlight the incredible career opportunities within this incredible industry. ♦



NEW FTC RULE MAY SIGNAL THE END OF NON-COMPETE AGREEMENTS

BARNES & THORNBURG LLP



For many years, non-competition agreements have served as a legitimate tool for businesses of all sizes and types to protect their proprietary information from misuse by former employees as well as against unfair competition. However, the federal government has had its eye on non-competition agreements since the Obama administration, concluding that these agreements were abused and over-used and that non-competition agreements limit employment options for one in every five workers in the United States.

The Federal Trade Commission (“FTC”) has focused its efforts on establishing a federal rule governing the use of non-compete agreements. In 2021, President Biden issued an executive order requesting that the FTC use its statutory rulemaking authority under the Federal Trade Commission Act to “curtail the unfair use of non-compete clauses and other clauses or agreements that may unfairly limit worker mobility.” The Biden administration believes that such a ban would “[m]ake it easier to change jobs and help raise wages.” The FTC estimates that the rule will increase annual earnings for workers \$53 billion annually. Many in the academic and business community disagree with these conclusions.

On April 23, 2024, the FTC issued its final rule on non-competition agreements and generally banned the use of non-competition agreements beginning September 4,

2024. The final rule has broad reach in the private sector. Entities not covered by the final rule include certain banks, savings and loan institutions, federal credit unions, common carriers, air carriers, and “persons, partnerships, or corporations insofar as they are subject to the Packers and Stockyards Act.” Entities that are not “organized to carry on business for [their] own profit or that of [their] members,” e.g., most not-for-profit organizations, are likely excluded from the final rule.

The New Rule

The final rule forbids employers from entering into new non-competition agreements with any workers, including contractors, and requires all employers to inform any current and past workers that their non-competition agreements are unenforceable. To be compliant with the final rule employers must identify all current and past workers affected by non-competition agreements, notify each of them of the unenforceability of those non-competition agreements, and remove non-competition agreement provisions from any future employment contracts.

This notification must explicitly state that the employer will not be enforcing any non-competes against that worker; importantly, this notification requirement applies to current and past paid workers (i.e., employees and contractors), as well as unpaid

workers (i.e., volunteers or interns). The final rule contains model language that employers can use to ensure compliance with the notification requirements.

No New Non-Competition Agreements

Employers are also prohibited from entering into non-competition agreements after the effective date, September 4, 2024. Employers should review any existing template employment contracts they use with their workers. Where contracts contain non-competition clauses, those clauses must be removed before hiring new workers to remain compliant with the new rule. Continuing to use a contract that contains a non-competition clause, even accidentally, would be a violation of this rule, and subject violators to civil penalties up to \$10,000 per individual offense.

Limited Exceptions: Senior Executives and Business Sellers

Existing non-competition agreements covering senior executives can remain in effect, but new non-competition agreements are forbidden, even for senior executives. The FTC defines the term “senior executive” to refer to workers earning more than \$151,164 who are in a “policy-making position.” The FTC estimates that less than 1 percent of workers qualify as a “senior executive” under this test. In essence, this is a

very small “safe harbor.”

The final rule also does not apply to non-competition clauses entered into by a “person pursuant to a bona fide sale of a business entity, of the person’s ownership interest in a business entity, or of all or substantially all of a business entity’s operating assets.” Also, the purchaser of a business can generally still enter and enforce a non-competition clause against an owner, member, or partner of the seller as part of the bona fide sale of a business entity. The FTC has indicated, however, that particularly onerous non-competition clauses, such as one preventing the seller from engaging in a business for an indefinite period of time, would be invalid. Such non-competition agreements should be tailored narrowly to meet the needs of a particular deal.

What is Not Prohibited

The final rule does not prohibit provisions related to confidentiality of business information. Importantly, it also does not prohibit non-solicits of customers or employees. A non-solicit of customers will only be improper if the provision is so broad that it is, in essence, a non-compete. This is good news for employers.

Ongoing Litigation

The rule is facing legal challenges in Texas and Pennsylvania, alleging that the FTC exceeded its statutory rulemaking authority, that the rule is an unconstitutional delegation of legislative power, and that the rule is arbitrary and capricious. On July 3, 2024, the Texas court ruled and issued a preliminary injunction (a court order that commands a defendant in a lawsuit to stop engaging in harmful acts) against the FTC from enforcing the rule and postponed the effective date of the FTC Rule until the Court issued its final decision. This injunction and postponement is temporary and only applies to the parties in the lawsuit. It is not a national order. The Court anticipates issuing a final decision on the FTC Rule, which may or may not include a nationwide ruling, before the September 4, 2024 effective date. Even if the final rule survives these litigation challenges, there will certainly be others as the business community seeks clarification of the final rule. ♦



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ANOTHER SUCCESSFUL ANNUAL BUSINESS DAY IN THE BOOKS

The Illinois Manufacturers' Association, in partnership with the Illinois Retail Merchants Association, held our annual Business Day at the Capitol on Wednesday, May 1, 2024, at the President Abraham Lincoln Hotel, the Illinois State Capitol, and the IMA offices in Springfield. Business Day at the Capitol is the largest lobbying day in Springfield by and for the business community, and hundreds of industry leaders participated, communicating the interests of manufacturers and retailers directly to legislators, the administration, and other policymakers.

The day's events began the night prior, with a dinner at Springfield's iconic Saputo's Restaurant with the IMA and IRMA Boards of Directors. On Wednesday morning, the Illinois Manufacturing Caucus, a newly formed group of legislators formed by the IMA, held its May meeting at the hotel, while separately, the IMA Board had its regular May meeting. Registration for the luncheon followed, with robust net-

working among the hundreds of participants in the sellout crowd. The luncheon program opened with remarks from IRMA President & CEO Rob Karr, IRMA Board Chair Ashli Nelson of McDonald's, followed by IMA President & CEO Mark Denzler, and IMA Board Chair Renee Togher of Azteca Foods, Inc.

Governor JB Pritzker joined us as well and gave keynote remarks, highlighting his view of the state's manufacturing and retail sectors, and key IMA and IRMA legislative priorities where collaboration had occurred, including retail theft, carbon capture and sequestration, the REV-EDGE and MICRO Acts, and his administration's economic development efforts. The after-lunch program featured a panel with House Speaker Emanuel "Chris" Welch and Senate President Don Harmon, moderated by Denzler and Karr. Afterward, Senate Republican Leader John Curran provided remarks. Each highlighted their perspective on Illinois' legislative session, their own legislative priorities, and the

areas of agreement with the policy agendas of IMA and IRMA.

After the luncheon, participants packed breakout sessions on the national political climate featuring former US Representatives Cheri Bustos (D-IL) and Rodney Davis (R-IL), as well as an informative talk highlighting the business opportunities of quantum computing by Dr. Brian DeMarco, Director of the Illinois Quantum Information Science & Technology Center (iQUIST) at the University of Illinois.

The day's activities ended with our traditional gala reception under the tent on the corner of 2nd and Adams, next to the IMA office, a much-anticipated event attended by hundreds of business leaders, legislators, policymakers, and staff, who enjoyed great music, food, refreshments, and networking.

The IMA is grateful to all our attendees, and especially to our sponsors, for their support of IMA's Business Day at the Capitol and partnership in our advocacy efforts. ♦



BONUS DEPRECIATION PHASEOUT - HOW CAN YOUR BUSINESS PREPARE?

SIKICH LLP

As we move from spring to summer in Chicagoland, businesses are feeling the heat from the effects of the post-bonus depreciation climate. The Tax Cuts and Jobs Act (TCJA) of 2017, which now seems like a lifetime ago, allowed businesses to deduct 100% of the cost of qualified asset purchases placed in service between September 27, 2017, and December 31, 2022.

However, on January 1, 2023, bonus depreciation began to phase out by 20% per year. 2023 saw a reduction that brought it to 80%, and 60% followed in 2024. In 2025, it will reduce to 40% and to 20% in 2026 – with a complete phaseout occurring by 2027. Many manufacturers have relied heavily on this tax deferral strategy, so it's important to learn how you can continue to maximize CapEx deductions under alternative methods.

Currently, there is proposed tax legislation, The Tax Relief for American Families and Workers Act, in Congress that would extend the 100% bonus depreciation deduction through January 1, 2026. The uncertainty around when this legislation will be addressed, let alone passed, has complicated tax planning for businesses with significant CapEx. Below are a few potential strategies to consider while tax planning for the 2023 tax year and beyond should bonus depreciation continue to phase out.

Take Advantage of Section 179 Deductions

IRC Section 179 expensing of certain capital expenditures can serve as a tremendous substitute to bonus depreciation for small businesses. There are some limitations to consider though: whereas bonus depreciation is mandatory (unless elected out of) and not capped at a specific dollar amount, Section 179 deductions are optional and, in 2024, limited to a fixed dollar amount of \$1,220,000. The allowable deduction is also reduced dollar-for-dollar if the cost of eligible property placed in service during the year exceeds \$3,050,000.

Section 179 deductions, unlike bonus depreciation, may not cause a taxable

loss. Instead, any amount disallowed in the current year would carry over to the next taxable year. Note that for pass-through entities, passive owners are generally not allowed to take the Section 179 deduction. The states of operation for the business should also be examined, as certain states have Section 179 phaseouts that differ from the federal treatment. In Illinois, the rules conform to the federal treatment, which makes Section 179 a great option for Illinois-based companies.

Strategize When Purchases Are Placed into Service

If your business doesn't qualify for Section 179 expensing, thoughtfully planning the timing of asset purchases is more crucial than ever. For example, consider whether a purchase should be made in the fourth quarter of 2024 or the first of 2025. It's important to understand that, in this scenario, purchasing and placing the property in service in 2024 will result in an additional 20% deduction and first-year tax savings. This is especially advantageous in what is still a relatively high interest rate environment. Businesses that do not need the additional bonus depreciation deduction due to net operating loss carry-forwards or other similar reasons can defer the purchase into the next taxable year when the deduction, though reduced, may be more beneficial.

Consider the Timing of Performing a Cost Segregation Study

A cost segregation study is helpful when purchasing a building or other real estate. These studies break down assets by asset class, carving out the costs that are eligible for bonus depreciation from the real property costs. This approach identifies various machinery, equipment, furniture, and fixtures that can be assigned a shorter depreciable life, making the assets eligible for bonus depreciation, rather than defaulting to the standard method and depreciating the entire property over a 39-year life. This typically results in immediate tax savings and

additional cash flow.

Tax legislation over the coming years could likely restore bonus depreciation. As many provisions of the current tax law, such as the top individual marginal rate, sunset in 2026, delaying the study until the year in which full bonus depreciation is restored (if it is) could counteract tax rate increases under any new law. As a result, the cumulative deductions could be taken all at once in the year elected.

Consider Site Selection and Incentive Planning

Pursuing state and local business incentives is a great option for businesses considering significant expansion or relocation to help mitigate the phaseout of bonus depreciation. Manufacturers who plan to create 15 or more jobs and/or purchase significant property and equipment over the next three to five years can often benefit from business incentives in certain states and communities. These tax savings can come in many forms in correlation to the size of the planned investment. Regardless of whether we see a new tax law in the coming years, it's a good idea to keep site selection and business incentive planning top of mind when considering a large CapEx investment.

Key Takeaways

Depreciation is only a timing issue, but accelerated depreciation can often provide a necessary and present benefit. Consider how the above strategies can impact your business and integrate them into your tax planning in the next few years. All businesses have unique situations that can be affected in different ways, so be sure to maintain regular meetings and open dialogue with your tax professionals to stay up to date on the ever-changing tax landscape. While we wait to see what the Tax Relief for American Families and Workers Act may bring, for now, there are still opportunities manufacturers can take advantage of despite bonus depreciation phasing out. ♦

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ILLINOIS' BANNING OF CAPTIVE AUDIENCE MEETINGS – WHAT EVERY NON-UNION MANUFACTURER MUST KNOW

AMUNDSEN DAVIS LLC



On May 26, 2024, the Illinois Legislature passed Senate Bill 3649 – which is absurdly titled the “Worker Freedom of Speech Act.” The legislation prohibits virtually all Illinois employers from discharging or disciplining any employee, or from threatening to take such actions against any employee, who refuses to attend meetings related to unions (aka “the Captive Audience Meeting”). The legislation specifically aims to prevent employers from educating employees on the pros and cons of union membership in general or in a particular union or labor organization. Once signed by the governor, it will go into immediate effect.

Under the legislation, any meetings related to unions or labor organizations must be strictly “voluntary” on the part of the worker. “Voluntary” is defined broadly and means that the action by the employer is not:

- (1) incentivized by a positive change in any employment condition, including, but not limited to, any form of compensation or any other benefit of employment; and
- (2) taken under threat of a negative change in any employment condition for non-attendance, including,

but not limited to, any negative performance evaluation, or any other adverse change in any form of compensation or any other benefit of employment.

Keeping the worker in the dark concerning key facts and the fine print before signing a union authorization card, or even casting a vote for or against union representation if a formal election is held, is something organized labor tries to ensure. In fact, under the National Labor Relations Act (NLRA), unions not only don’t have an obligation to share key information with prospects, but they can also lawfully mislead workers and provide them with false information while making promises that they cannot possibly follow through on.

Unsurprisingly, treating prospective members like mushrooms is quite effective — telling the prospect everything they want to hear and leaving out the ugly details is often a winning strategy. Educating the prospect fully, directly, and honestly is not in a union’s playbook because it’s not a winning hand.

Here’s a brief sampling of highly relevant issues that would help inform an individual before they vote for or against union representation:

- Reviewing the union’s financials (and specifically the percentage of funds used for actual representation);
- Examining the history of the union’s failure to provide fair representation to certain members and related unfair labor practice charges against the union;
- Exposing particular union leaders’ past legal troubles (including any harassment and discrimination lawsuits and/or criminal convictions related to the union); and
- Sharing and examining the union’s bylaws, constitution, and many “rules” that subject members to certain financial penalties, fees, and compulsory dues allows the union to bargain for what it wants vs the workers’ needs (individually or as a group).

Examining the labor organization at issue under a microscope and educating the worker on the fine print leads to a more informed voter. And this scares union organizers like nothing other because a more informed voter usually means the union loses at the ballot box. Having a well-informed worker is not a winning strategy for the union. This is

why it's always left to the employer to actually educate the workforce on the good, bad, and ugly of becoming part of a particular labor union. This practice -- often referred to as captive audience meetings -- has been deemed lawful in the private sector for generations and is expressly recognized under Section 8(c) of the NLRA, provided the meetings are free from unlawful threats and promises. If any threat or promise is made by the employer, then the worker can file an unfair labor charge against the employer that could, amongst many avenues for relief, require the employer to recognize the union.

The Illinois Worker Freedom of Speech Act gives enforcement authority to the Illinois Department of Labor (IDOL). The IDOL can pursue action against an employer and seek civil penalties in the amount of \$1,000 per violation (\$1,000 for every employee, for every instance). These civil penalties are paid to the IDOL. Further, any "interested party" can also file a complaint against an employer with the IDOL and eventually file its own private lawsuit seeking civil penalties and injunctive relief. If successful, the interested third party can recover incurred attorneys' fees and costs as well as receive a bounty in the amount of 10% of any civil penalties ordered by a court. In other words, the State of Illinois has incentivized labor organizations to go after employers on behalf of the IDOL and recover a bounty for doing so. Further, while there is a 3-year statute of limitation period, this period can be tolled indefinitely upon agreement between the interested third party and the IDOL. Finally, employees may pursue their own civil lawsuits against their employers and seek make-whole remedies, injunctive relief, as well as the recovery of their attorneys' fees and costs.

Obviously, this pending law must still contend with Constitutional First Amendment Rights along with Section 8(c) of the NLRA. Indeed, the U.S. Supreme Court has long recognized the employer's right to certain free speech in

the private sector aimed at unions and union organizing. In fact, while some other like-minded states have passed similar laws, litigation challenging such laws is active and commonplace. Time will tell if the soon-to-be Illinois law will be upheld.

What Should Employers Do?

Doing nothing and feeling paralyzed is NOT a plan -- and plays right into organized labor's hand. However, with the plethora of laws and mandates coming from multiple angles these days, employers conducting any sort of union-related education training with employees should be cautious when

navigating these waters. Management training and conducting a labor relations evaluation at regular intervals throughout the year are the first steps to remaining union-free. Determining how, when, and what to present to both supervisory and non-supervisory employees is critical. Deciding if the meeting should be mandatory or voluntary is an important decision for employers to carefully explore. However, above all, supplying workers with key facts related to unions or a particular union is likely going to be their only source of accurate information. Failing to at least offer employees such information is a recipe for utter disaster. ♦

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SUPPORTING MANUFACTURING AND DISTRIBUTION: THE ROLE OF NICHE STAFFING COMPANIES

ALL ABOUT PERSONNEL

As demand surges during peak seasons, manufacturers and distribution centers often grapple with challenges in meeting production deadlines and maintaining product quality. The fast-paced nature of these industries calls for a flexible and efficient workforce capable of handling increased demand without compromising on safety and quality. In response to these needs, specialized staffing companies have emerged, providing a lifeline during the busiest times. In this article, we explore how a niche staffing company can play a pivotal role in supporting manufacturers and distribution centers during hectic seasons.

The Unique Advantage of Niche Staffing Companies

Unlike general staffing agencies, niche staffing companies focused on specific industries possess in-depth knowledge and understanding of the unique challenges and requirements faced by manufacturers and distribution centers. They have a keen eye for identifying individuals with relevant skills and experience, ensuring that the temporary workforce seamlessly integrates into existing production and distribution processes. From line workers to quality control specialists and logistics coordinators, these staffing companies can cater to various roles within these facilities.

Speed and Flexibility in Workforce Deployment

One of the most significant advantages of partnering with a niche staffing company is the speed and flexibility they offer in deploying a qualified workforce. Manufacturers and distribution centers can swiftly scale up their operations to meet demand surges without worrying about the time-consuming hiring process. As these staffing companies already have a pool of pre-screened and trained candidates, they can quickly fill vacant positions and ensure a smooth operational flow.

Ensuring Quality and Safety Standards

Maintaining high-quality standards and ensuring safety is non-negotiable for any manufacturer or distribution center. A niche staffing company specializing in these industries understands the paramount importance of adhering to these standards. They thoroughly vet candidates for com-

pliance with industry-specific regulations, safety practices, and relevant certifications, reducing the risk of errors and potential safety incidents.

Cost-Effectiveness of Temporary Staffing

Hiring temporary staff through a specialized staffing firm can be more cost-effective than attempting to manage seasonal surges in production and distribution with a permanent workforce. The overhead costs associated with recruiting, training, and onboarding new employees are significantly reduced. Additionally, the staffing company often handles payroll, benefits, and other HR-related responsibilities, further easing the burden on manufacturers and distribution centers.

Focus on Core Competencies

By partnering with a firm that specializes in manufacturing and distribution staffing

during busy seasons, companies can focus their time and resources on their core competencies, such as product development, marketing, and strategic planning. This partnership allows them to maintain operational efficiency and stay competitive in a dynamic market.

Conclusion

Niche staffing companies that specialize in manufacturing and distribution can be invaluable partners during the busiest seasons. Their expertise, flexibility, and ability to provide qualified and compliant temporary staff ensure that operational demands are met without compromising on quality and safety. By leveraging the services of these specialized staffing agencies, manufacturers and distribution centers can streamline their operations, reduce costs, and maintain a competitive edge in their industries. ♦

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NAVIGATING UNCERTAINTY: EMBRACING COLLABORATION AND CHANGE IN MANUFACTURING

ILLINOIS MANUFACTURING EXCELLENCE CENTER
DAVID BOULAY, PRESIDENT



In today's dynamic manufacturing landscape, leaders face constant change from a myriad of trends: population demographic shifts, geopolitical tensions, inflationary pressures, and supply chain disruptions, to name just a few. Amidst this uncertainty, government policies are being rolled out that will reshape our industry's trajectory. The combination of the federal CHIPS Act, the Inflation Reduction Act, and the Infrastructure Bill, among others, have formed a new industrial policy framework. As manufacturing undergoes a period of transformation, it is imperative for leaders to not only adapt to changes but also seize the opportunities the policy shifts present.

Change 1: Demographic changes, such as flat population growth and the retirement of the baby boomer generation, pose significant challenges for the manufacturing sector. With fewer consumers and a shrinking workforce, companies must innovate and diversify to remain competitive.

Opportunity: This demographic shift also underscores the need for a renewed focus on talent development and retention. By engaging local Workforce Boards for training, grant support, and finding talent, part of the federal Workforce Innovation and Opportunity Act (WIOA), manufacturers can cultivate the skills needed to thrive in an evolving marketplace.

Change 2: Geopolitical dynamics from Europe to the Middle East and Asia are further complicating the manufacturing landscape, with trade tensions and supply chain disruptions affecting operations worldwide.

Opportunity: In response to this change, government policies have aimed to bolster domestic manufacturing capabilities and reduce reliance on extended supply chains. The CHIPS Act, for example, seeks to revitalize semiconductor manufacturing in the United States, while the National Defense Industrial Strategy emphasizes the importance of a robust industrial base for national security. These initiatives provide manufacturers with opportunities to collaborate with government agencies and leverage resources to enhance their competitive advantage.

Moreover, recent legislation, including the Inflation Reduction Act and the infrastructure bill, underscores the government's commitment to revitalizing the manufacturing sector. By investing in infrastructure and addressing supply chain vulnerabilities, policymakers are laying the groundwork for sustained growth and resilience in the industry. To see this growth though, it takes collaboration between the policymakers and manufacturing leaders.

Tax incentives and grants can provide much-needed support for capital investments, while partnerships with defense contractors can open doors to new markets and opportunities. By aligning strategies with government priorities, manufacturers can position themselves for success in an uncertain world.

The first step is knowing which policies are right for your organization. Manufacturers must assess their current capabilities and identify areas where government support can drive meaningful change. Whether it is investing in research and development, upgrading manufacturing facilities, or expanding into new markets, there are countless opportunities to capitalize on government initiatives.

Government support only works when policymakers and players work together. By actively participating in legislative discussions and advocating for their interests, manufacturers can help shape policies that foster innovation, growth, and competitiveness. This collaborative approach not only benefits individual companies but also strengthens the overall resilience of the manufacturing sector.

In the face of unprecedented uncertainty, small and mid-sized manufacturers must embrace collaboration and change to navigate the evolving landscape. As demographic shifts and geopolitical tensions redefine the industry, it's essential to recognize the opportunities within government policies like the CHIPS Act and the Infrastructure bill. By aligning with these initiatives, manufacturers can revitalize their operations, harnessing tax incentives, grants, and partnerships to drive innovation and competitiveness. ♦

MEMBER NEWS

Bridging the Digital Divide in Illinois



AT&T recently announced it's committing an additional \$3 billion by 2030 to help close the digital divide, bringing the company's total commitment to \$5 billion since 2021. This cumulative commitment includes an ambitious goal to help 25 million people get and stay connected to affordable, high-speed internet access throughout this decade. Working to close the digital divide is the linchpin of AT&T's mission to leave no one behind when it comes to online opportunity.

- Support for more than 170 digital literacy workshops in Illinois to help parents and families build skills and confidence using technology.
- Distribution of more than 2,300 computers to students and their families across Illinois.
- The opening of 2 AT&T Connected Learning Centers in Chicago, providing students, seniors, and families with free access to high-speed Internet, Wi-Fi, computers and technical resources.

Case IH Increases Sustainability and Community Relations Efforts



GOODFIELD, May 1, 2024 -- In 2023, Case IH started the Community 5-R project, a donation-based program where the company hands off scrap metal pieces to local high schools, tech schools, and community colleges for reuse. Welding programs are able to reuse the metal and sell scrap metal for cash to put back in their programs. Case IH has created a recruiting perimeter around their facility, and the program grew to 7 schools with a total of 36.41 tons donated by the end of the 2023 calendar year. The project continues to grow, but that's not where Case IH's community service stops.

Case IH also hosted a special community centered Earth Day event this year on

April 20, 2024. Coined the Case IH Goodfield Earth Day event, employees spent time handing out free wooden crates to members of the community in aims of spreading the word about raised bed gardening. Growing your own garden eliminates plastic waste incurred while shopping for produce from plastic packaging itself to plastic bags utilized while lugging your purchases home. It was a very successful event with a total of 127 wood crates distributed to the community, resulting a 2.5 tons of Reuse wood. The company plans to grow these sustainable projects moving forward.

FLEX-LINE AUTOMATION Set to Host Automation Fair



FLEX-LINE AUTOMATION has coordinated an Automation Fair Thursday, August 15, 2024 from 11am to 3pm located at 160 Taggart Lane in Chester, Illinois. A complimentary food truck will be on site as well as multiple vendors, hands on demos, exoskeletons, AMR/AGV options, palletizing, box erecting, parts feeding, machine tending, and more. To RSVP or for any question regarding the fair, contact Lauren Rinne at 1-618-826-5086 or l.rinne@flex-lineautomation.com.

The top 10 accounting and advisory firm formed on June 1, 2022, via the merger of equals of legacy firms BKD and DHG—the largest such move in the accounting industry in more than two decades. The new firm took on a new name, FORVIS, representing the firm's forward vision and focus on preparing for what's next.

Across 72 office locations in 28 states, team members are celebrating "FORVIS Day" with office festivities and the launch of a book authored in-house and given to each employee, titled "Unmatched Client Experience: The FORVIS Way in Action." The hardcover book illustrates the firm's approach to culture and client service via oral histories and lessons learned through more than 100 years of experience in the marketplace.

"A year ago, we came together to form a new firm built on a forward vision of incredible possibilities and unlimited potential," said FORVIS CEO Tom Watson. "We were confident we could create something

truly special, and we have. The passion and effort our people have poured into FORVIS are impressive and inspiring. We are unlocking potential for each other, for our clients, and for our communities every day."

General Mills opens 1.3 million square-foot distribution center in Belvidere



Belvidere -- April 16, 2024: A long-awaited 1.3 million-square-foot warehouse and distribution center is now open in Belvidere.

General Mills held a ribbon-cutting ceremony Tuesday to officially dedicate the facility at 1210 Irene Road, which is expected to employ 55 to 75 people.

Phill West, senior director of planning, logistics and customer fulfillment for General Mills, said the distribution center is a key site for the company.

"(It) has added to our distribution capacity here in the Midwest and allowed us to consolidate some smaller facilities across the region," West said. "It has also allowed us to better service our customers all across the Midwest."

West added that new center will provide critical support to the General Mills Pleasant Street plant.

Inprentus Launches Diffraction Grating Metrology Services



CHAMPAIGN, IL, UNITED STATES, April 5, 2024 /EINPresswire.com/ -- Inprentus Precision Optics, the worldleader in custom mechanically-ruled blazed diffraction gratings, has announced the addition of Metrology Services to its product offerings. Founded in 2012, Inprentus specializes in the manufacture of Blazed Gratings for Synchrotrons, Free Electron Lasers, Spectroscopy, EUV, Semi-Conductors, and Augmented Reality Waveguides. With the addition of Metrology Services, Inprentus now offers their unique expertise to serve customers through all phases of optical services – from

design to manufacture to characterization.

With over 10 years of experience in assessing key properties to benchmark grating performance, Inprentus has deep subject matter expertise stemming from first principles of optics. Inprentus' metrology offerings include:

- Fizeau Interferometry to measure resolving power
- Atomic Force Microscopy (AFM) to measure groove shape, dimensions, and surface roughness
- Focused Ion Beam (FIB) and Scanning Electron Microscopy (SEM) to measure groove shapes
- Two-Circle Diffractometer to measure blaze and anti-blaze angles for the whole grating
- Two-Circle Diffractometer to measure stray light for both angle integrated and angle resolved modes
- 248nm Reflectometer to measure grating efficiency
- Custom metrology projects (contact Inprentus)

Subha Kumar, Inprentus' Chief Growth Officer, explained that "Following our founder Peter Abbamonte's presentation at SPIEXR 2024 highlighting the large variety of grating-specific measurements we routinely use, it was clear that there was substantial industry interest in our unique metrology capabilities. We are excited to respond to the call to share our deep grating expertise and to continue to create the world's most advanced diffractive optics."

PHOENIX OPENS STATE-OF-THE-ART FIREBIRD DESIGN AND INNOVATION CENTER IN AURORA, IL HEALTHCARE MARKET



PHOENIX™

Aurora, IL – April 30, 2024: PHOENIX is excited to announce the opening of their design and innovation center at the company's national headquarters in Aurora, Illinois.

This state-of-the-art center gives customers an opportunity to explore the closure manufacturing process from ideation to production.

"When we opened our new corporate headquarters in 2022, we knew dedicating a space that encourages collaboration with our customers throughout the product development process was imperative," said Alby Miller, PHOENIX Co-President.

"For over 130 years, PHOENIX has maintained a high standard for packaging innovation. With a customer-first approach, we outperform others in our industry by accelerating product development and market entry without sacrificing quality," said Darin Paul, PHOENIX Vice President, Engineering and Innovation.

When customers visit the PHOENIX Firebird Design and Innovation Center for a project, they will experience a customized tour. Tours begin in the Ideation Room where customers can collaborate on ideas and review market research findings. From there, guests will visit the design studio to participate in an interactive session with research and development engineers to conceptualize designs with new technologies, while keeping sustainability a priority. "We are giving our customers a peek inside the minds of our designers and engineers," said Paul. "We are excited to highlight the comprehensive process our team employs to design, test, and create exceptional packaging from art to part."

The next stop on the tour includes the PHOENIX Metrology Lab. The lab equips the Quality Team for root cause analysis, troubleshooting, and recommendations for process improvements to ensure customer success. Tour participants will witness live demos of specific tests that the Quality Team deploys to ensure high packaging standards.

The tour concludes with the proof-of-concept phase where visitors watch their parts manufactured on a prototyping press. By having numerous machines and testing equipment in one location, this unique area helps the team gain efficiencies, providing fast response times to customer requests.

Additionally, the PHOENIX Firebird Design and Innovation Center is used for focus groups, ideation sessions, and training new employees. "Our design and innovation

center supports the development of products for our customers and validates the design, form, fit, and function. We are thrilled to share this space with our customers and suppliers," said Miller.

S&C Supports Employment Opportunities for U.S. Military Veterans Through Department of Defense (DOD) Skillbridge Program



CHICAGO, April 10, 2024 – S&C Electric Company, a leading innovator of resilient grid technology, today announced a partnership with DOD Skillbridge to provide training and job opportunities for U.S. military service members looking to transition to civilian work. The Skillbridge program connects service members with industry partners for real-world job experience while they are still on active military duty. The program offers specific industry training, apprenticeships, or internships during the last 180 days of military service.

"As a manufacturer and technology provider, S&C offers rewarding, long-term career opportunities to people of all experience and educational backgrounds," said Jim Johnson Jr., S&C Chief Operations Officer. "Through this program, we will help our veterans acquire the skills they need to succeed here and develop a pipeline of talent between S&C and this uniquely talented group of potential team members. We want to ensure that people know this is a great place for our veterans to start their post-military careers."

Current roles available through the S&C Skillbridge program include machinist positions (two-week training program) and field service technicians (60- to 90-day training program). S&C provides comprehensive training for these opportunities while candidates are still employed by the military. After that, program participants work at one of S&C's designated locations to gain experience and evaluate the job as a post-discharge work option. The company may then formally hire candidates who have completed the program. Learn more about S&C Skillbridge program openings [here](#). ♦

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